

1989-91

Operating Budget

The 1989-91 biennial budget for the State of Washington adopted during the 1989 session of the Legislature totals \$21.351 billion. Of that total, \$12.516 billion is from the state general fund, \$3.298 billion is from the federal government, and \$5.538 billion is from other state sources.

The total budget represents an 18.3 percent increase over the 1987-89 state operating budget. The largest increase in expenditures is from the federal government which increased 21.5 percent while state general fund expenditures increased 20.7 percent.

The state general fund increase equates to a \$2.145 billion increase over the prior state budget. About \$1.321 billion of this increase was needed simply to continue the 1987-89 expenditures into the new biennium. The cost of continuing existing programs into the new biennium takes into account such costs as inflation and the annual cost of

programs started during the last fiscal period of the prior biennial budget. The remainder of the state general fund budget increase, totalling about \$824 million, is for new or enhanced state programs.

Improvements to the state's education system accounted for more than 60 percent of the increase in the state general fund budget. The largest share of education improvements went to increase college faculty and school teacher salaries, to improve kindergarten through third grade (K-3) class size, to enhance instructional support services, and to build more K-12 classrooms.

A 2.5 percent and a 6.0 percent state employee salary increase during the first and second year of the new biennium, an expansion of Medicaid to cover pregnant women and children living in poverty, the reform of the state's mental health system, the first installment payment to reduce the state's unfunded

pension liability, and other program changes account for the balance of the budget increase. For the first time since 1981, when the Budget Stabilization Account was created, funds are deposited into this account. The amount of \$60 million dollars is appropriated into the account. A 60 percent vote of each house of the Legislature is required to withdraw such funds. Including the unexpended funds from the 1987-89 biennium and the growth from existing state tax sources, the Legislature was able to adopt the 1989-91 operating budget, including program enhancements, without increasing general taxes.

Budget Highlights (General Fund-State)

Highlights at a glance. The 1989 Legislature provided the following major enhancements to government services. Greater detail on all these items and more are contained in the body of the publication.

K-12 Enhancements

Salary Increase:	\$234.9
\$20,000 Beginning Teacher Salary/ Masters Incentive	
Common School Construction	71.5
K-3 Class Size Reduction (49 to 51 Certs:1,000 Students)	37.7
Early Childhood Education	13.9
Vocational Ed Equipment	6.0
Voc-Tech:	
Enrollment Expansion	3.4
Equipment Restoration	3.2
Classroom Assistant Training	1.5
Pacific Science Center	1.3
Highly Capable Program	1.2

Higher Education Enhancements

Salary/Benefit Increases	\$ 74.7
Instructional Support/Assessment	66.3
Enrollment Expansion	19.0
Financial Aid	9.7
Assessment	2.8
SIRTI	1.2

Human Resources Enhancements

Mental Health Reform	\$ 49.1
Medical Care for Poor Pregnant Women/Children	42.8
Vendor Rate Increases	25.8
DD Institutional Improvements/ Community Residential Placements	13.2
AFDC Grant Increase	11.9
RN/MD Reclassification	11.9
Child Care Expansion	9.1
AIDS Program/Community Health Clinics	5.0
Social Worker (Child Protective Services) Caseload Reduction	4.2
Volunteer Chore/Respite Care Expansion	3.9
Goodwill Games	3.5
Homemakers/Homebuilders Expansion	3.4
Foster Care Improvements	3.2
Low-Income Housing	3.0

Natural Resources Enhancements

Economic Development	\$ 4.3
Auto Emissions Testing	2.2
Salmon Production	1.8
Tri-Cities Diversification	1.6
Pesticides Control & Monitoring	1.6
Timber, Fish, Wildlife Agreement	1.5
Water Resources/Groundwater Management	1.0
Conservation Districts	0.6

General Government Enhancements

Department of Revenue:	
Increased Audit/Compliance Staff	\$ 4.8

Other Special Appropriations

Salary/Health Benefit Increases for State Employees	\$ 48.5
3% COLA PERS and TRS Retirees/ Other Pension Reforms	43.8
Puyallup Indian Land Claim (\$16.1 million -- other sources)	4.9
Department of Health Transition	1.8